



## **AUSTRIA AND THE UN TAX CONVENTION – FROM SEVILLA TO NEW YORK ALIGNING AUSTRIA’S ROLE IN UN TAX NEGOTIATIONS WITH ITS AFRICA POLICY, BUDGET CONSTRAINTS AND GLOBAL RESPONSIBILITIES”**

**SUMMARY REPORT OF THE ROUNDTABLE FROM 27 MAY 2026**

written by Isabella Costa

Following the adoption of the UN General Assembly Resolution 78/230 in December 2023, negotiations on a United Nations Framework Convention on International Tax Cooperation, together with two early protocols addressing the taxation of cross-border services and the prevention and resolution of tax disputes, have started in 2024.

What are the goals and expected outcomes of these negotiations? Does the UN provide a fair international tax forum for Global South participation? And what is in there for high-tax European countries, such as Austria? These were the core issues addressed in the roundtable discussion, which brought together policymakers, researchers, activists, and civil society to share their perspectives, concerns, but also opportunities of the emerging UN Tax Convention.

The floor was opened by Martina Neuwirth, project officer at VIDC in the field of international economic and financial policy, and by Karin Kuranda, policy officer on development policy at Global Responsibility (AG Globale Verantwortung). The discussion was moderated by Lukas Schlögl from the Austrian Foundation for Development Research (ÖFSE) and led by three international tax experts: Everlyn Muendo, a lawyer and senior policy officer at Tax Justice Network Africa, offered a valuable African perspective, shedding light on the challenges and outcomes of the UN process. She also discussed the necessary steps that could bring real change in the global tax architecture to promote a fair system for countries in the Global South. Giulia Varaschin, policy advisor at the EU Tax Observatory, focused on the role of the EU, the skepticism of European countries in the face of new global reforms, and possible opportunities for European high-tax countries, as the current international tax system does not work in their favor either. Richard Stern, director of the WU Global Tax Policy Center, identified harmful tax competition and limited access to the global economy as the biggest problems facing countries. He underlined the importance of a global process such as the UN Tax Convention, as no country can solve these problems on its own.

### **”Change is here. It has to happen.”**

Negotiations on a UN Framework Convention on International Tax Cooperation have entered a decisive phase in 2026. They offer not only an opportunity to adapt the international tax architecture to the realities of the 21st century, but also to make it more inclusive. This, in turn, can strengthen the mobilization of domestic resources in countries of the Global South. In times of debt crises and declining official development assistance (ODA), these resources are particularly relevant to generate income and combat poverty and inequalities. Those objectives are central concerns, also in the light of Austria’s future Africa Strategy. In the “Sevilla Commitment”, the outcome of the 4<sup>th</sup> international conference on Financing for Development (FfD4) in 2025, states committed to “continue to engage constructively in the negotiations” on the UN Convention and to “encourage support for the process.” The question arises as to how this support will be structured in concrete terms – particularly against the backdrop of current budgetary constraints. The debates at the international Financing for Development conference in Sevilla have shown the structural gaps of an imbalanced global tax system. Set to conclude in 2027, the UN Tax Convention process aims at a more transparent and cooperative framework with rules that are effectively implemented at a global scale.

For many countries in the Global South, particularly across Africa, the current framework reflects a colonial legacy, where tax laws were shaped to facilitate extraction rather than development, and treaty arrangements were and still are negotiated under power imbalances. Multinational corporations have benefited from this architecture for a long time, profiting from resources and markets in the Global South, while taxable profits often do not stay in the countries where economic activities happened. In the decades after the Second World War, the rules that govern how and where income is taxed across borders were predominantly set by members of the OECD. Double taxation treaties (DTTs) can be seen as a key example of this failed system. In theory, DTTs exist to prevent the same income from being taxed twice across different jurisdictions. But what could serve as an investment instrument has worked as a mechanism for transferring taxing rights away from source countries (i.e. mostly countries of the Global South) to residence states (i.e. mostly industrialized countries).

African countries have therefore been driving global economies by providing cheap labor and raw materials, while remaining systematically disadvantaged by the same taxation logic. They participated in OECD and G20-led initiatives, but found their priorities consistently sidelined. As highlighted during the discussion, these countries have continued negotiating within a framework they did not design, often giving up taxing rights in exchange. The African initiative for a UN Tax Convention in 2022 was an effect of that frustration, and an effective push for a new and more inclusive multilateral framework, grounded in the needs of countries seeking to finance their own development. Civil society organizations around the world, campaigning for a more than ten years for a UN-led international tax system, played a pivotal role in this shift.

## **The hopes and limitations of the UN process**

The discussions of the roundtable highlighted the role of the UN in building a better tax architecture, as it offers something that the OECD process structurally cannot not provide: real inclusion of countries that have been left out from the negotiations until now, and to create a space for all countries to address gaps in the system. A multilateral framework creates the conditions for addressing issues on a global scale, in a way that national or bilateral approaches cannot. Participants pointed out that inclusiveness could be the greatest strength of the UN Convention. A more representative process is also a more legitimate one. However, it is a big challenge to build a system where countries agree to actually giving each other equal access to the global economy. For that to happen, some countries will have to give up something to create

a system more just for everyone. Therefore, multilateralism is the key. One area where this can be seen clearly is the taxation of digital services – a gap that has not been closed at the OECD level yet.

Furthermore, it was also noted that the G20 has not been helpful in breaking the North-South divide. One of the frustrations raised in the discussion was the lack of financial resources to support not only the negotiations, but the implementation of international reforms. It has been recognized that setting standards without helping countries implement and integrate them is insufficient. But capacity support requires resources. As speakers noted, the UN is more than capable of doing this work, but it needs the funding to do so. Speakers and stakeholders also addressed that access to reliable, transparent data remains a gap. Without it, even well-intentioned reforms struggle to be maintained. On the same grounds, capacity building for helping countries to use data effectively was identified as an area where support is needed.

The debate also raised questions such as: How will the distribution of tax revenues affect EU countries? How will competition work among EU member states? And what are realistic short- and long-term outcomes when implementing the new framework?

## **What is at stake for Europe: possible outcomes and its role in the negotiations**

EU member states enter the negotiations from a position of privilege, as they helped design the existing system and have, in many aspects, benefited from it in decades. The shift to an architecture where decision-making power is more widely shared pose new challenges for EU nations. European engagement in the UN Tax Convention process is complex, shaped by self-interests and broader geopolitical considerations. Geopolitical contexts add one more layer of complexity to the framework, since conflict, environment, and resources are important factors shaping the economic system. However, a reformed system that limits competition and aligns tax rules with sustainable development could benefit especially high-tax EU countries, although it may create short-term obstacles for some member states. Global governance needs a comparable binding and enforceable mechanism that is able to create genuine incentives for compliance.

Participants pointed out that the issue of the United States recently stepping back from multilateral engagement (including the UN Tax Convention negotiations) might even demonstrate a positive factor to accelerate the process and give more room to cooperation.

Austria has played a relevant role in the UN process by engaging in good faith in a multilateral approach, balancing the commitment to a global dialogue with openness to meaningful change. According to a recent study, certain reforms could reduce Austrian revenues in the short term. Yet the picture looks more stable in the longer term. However, due to data problems predictions should be treated with caution.

Overall, the UN Tax Convention brings hope of a more integrative and equitable system. However, creating an inclusive, fair and more transparent framework brings challenges, particularly for hegemonic countries that have benefited from unequal power relations. In this sense, short-term outcomes may be more concerning for some states, but the long-term picture points toward a more balanced architecture. Stakeholders identified the following steps as a way forward: a) establishing clearer standards for the taxation of the digital economy, b) improving information exchange between actors, and c) building a tax system where tax havens and harmful tax competition are no longer normalized. The UN negotiations are crucial for establishing global principles and standards for taxation, but there is still a long way to go. In this sense, multilateral cooperation and dialogue are key to building a better global tax architecture.

The roundtable created a space for exchanging knowledge and practical expertise, which was shaped by lively and honest discussions. Stakeholders participated actively, sharing insights, questions, and perspectives on the negotiations and thereby bringing their expertise across regions and fields into the discussion. Participants appreciated the sharing of information on the ongoing process and particularly commended the speaker from the Tax Justice Network Africa, Everlyn Muendo, for her insightful recommendations and contributions in the discussions.